
DIGEST

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Arnold

HB No. 340

Abstract: Provides for a two-month advancement on condominium association assessments at the time of purchase and privilege on any fines or late fees in excess of \$250 assessed by the association.

Proposed law provides a seller of an initial condominium unit shall collect at least two months of assessments from each unit purchaser, which funds are dedicated for the sole purpose of establishing the association's reserve account and shall be placed in a reserve escrow account. Those funds may be used only for the exclusive benefit of the unit owner's association and shall be turned over to the unit owner's association along with the other condominium assets in accordance with the association declaration or bylaws.

Present law provides that a condominium association has a privilege on a condominium parcel for all unpaid or accelerated sums, interest, or legal interest assessed by the association.

Proposed law retains present law but also includes privilege on any fines or late fees in excess of \$250 assessed by the association.

Present law provides that if a unit owner fails to timely pay the assessments for common elements for a period of six months or more during an eight-month period, the association may accelerate the assessment on the common elements for a 12-month period and file a privilege for the accelerated sums.

Proposed law changes present law to change the months for failure to timely pay from six months to three months.

Present law provides that a claim of privilege be filed for registry in the mortgage records in the parish where the condo is located which includes a description of the condominium parcel, the name of its record owner, the amount of delinquent or accelerated assessment, and the date on which the assessment became delinquent.

Proposed law retains present law but also requires the claim to include any fines or late fees in excess of \$250 assessed, if any.

(Amends R.S. 9:1123.115(A); Adds R.S. 9:1121.111)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Commerce to the original bill.

1. Removed provision that a condominium association has privilege on any fines or late fees assessed.

House Floor Amendments to the engrossed bill.

1. Provided for privileges on fines or late fees assessed by condominium associations in excess of \$250.